

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
HRI HOLDING CORP., <i>et al.</i> ,)	Case No. 19-12415 (MFW)
)	(Jointly Administered)
Debtor.)	
)	Objection Deadline: 12/13/2019 at 4:00 p.m.
)	Hearing Date: 12/20/2019 at 2:00 p.m.
)	Related to Docket No. 89

**RESPONSE OF CARDINO REALTY, LLC TO NOTICE OF ASSUMPTION
AND CURE COST WITH RESPECT TO EXECUTORY CONTRACTS
OR UNEXPIRED LEASES POTENTIALLY TO BE ASSUMED AND
ASSIGNED IN CONNECTION WITH SALE OF DEBTORS' ASSETS**

Cardino Realty, LLC (“Cardino”), by and through its undersigned counsel, hereby responds to the *Notice of Assumption and Cure Cost with Respect to Executory Contracts or Unexpired Leases Potentially to be Assumed and Assigned in Connection with Sale of Debtors’ Assets* [Docket No. 89] (“Cure Schedule”), and in support thereof, respectfully states as follows:

1. On or about November 14, 2019 (“Petition Date”), each of the above-captioned debtors (“Debtors”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (“Bankruptcy Code”). Upon information and belief, the Debtors are continuing in possession of their properties and the management of their businesses as debtors-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.

2. Prior to the Petition Date, Cardino, as landlord, and Debtors, as tenant, became parties to a Lease dated November 19, 1997, and related amendments thereto (“Lease”), of non-residential real property located in Hasbrouch Heights, Bergen County, New Jersey (“Premises”). The Debtors have designated the Premises as Store No. 226. The Lease is a lease of “real property in a shopping center” as such term is used in Section 365 of the Bankruptcy Code.



3. On November 27, 2019, the Debtors filed the Cure Schedule. The Cure Schedule lists the Lease in two separate entries. The first entry is on page 4 of Exhibit A to the Cure Schedule and identifies Cardino Realty, L.L.C. as the counter-party and proposes a cure amount of \$0.00 for the Lease. The second entry is on page 13 of Exhibit A to the Cure Schedule and identifies Hirschman Realty Management LLC (as agent for Cardino Realty, LLC) as the counter-party and proposes a cure amount of \$114,108.20.

4. Cardino asserts that the entry on page 13 of Exhibit A to the Cure Schedule with a cure amount of \$114,108.20 (“Cure Amount”) is the correct amount due and owing under the Lease. Accordingly, the Debtors are required to pay Cardino the sum of \$114,108.20 to cure defaults under the Lease if the Lease is assumed and assigned by the Debtors.

5. Further, the Debtors must cure any additional defaults that may occur under the Lease between the date of this objection and the date the Lease is actually assumed and assigned by the Debtors. *See* 11 U.S.C. § 365(b)(1). Additionally, the Debtors must be required to comply with their obligations under the Lease pursuant to 11 U.S.C. § 365(d)(3) through the actual date of assumption and assignment.

6. In addition, the Debtors must cure any amounts that may become due under the Lease after the Lease is assumed, but which may relate to the pre-assumption period (including, but not limited to, real estate taxes and common area maintenance reconciliations).

7. Cardino joins in the objections filed by the Debtors’ other landlords to the extent that such objections are not inconsistent with the relief requested herein. In addition, Cardino reserves its rights to make such other and further objections as may be appropriate, including, but not limited to objections regarding adequate assurance of future performance under Section 365 of the Bankruptcy Code.

WHEREFORE, Cardino respectfully requests that the Court enter an order that (a) requires the Debtors to pay the Cure Amount to Cardino; (b) requires the Debtors to cure any subsequently occurring defaults under the Lease, and to comply with 11 U.S.C. § 365(d)(3) until the actual date of assumption and assignment; and (c) grants such further and additional relief as the Court may deem just and proper.

Dated: December 13, 2019

**MONTGOMERY McCracken Walker &
Rhoads LLP**

/s/ Marc J. Phillips

Marc J. Phillips (No. 4445)
1105 North Market Street, Suite 1500
Wilmington, DE 19801
Telephone: (302) 504-7823
Email: mphillips@mmwr.com

Attorneys for Cardino Realty, LLC

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 13th day of December, 2019, I served a true and correct copy of the foregoing **Response of Cardino Realty, LLC to Notice of Assumption and Cure Cost with Respect to Executory Contracts or Unexpired Leases Potentially to be Assumed and Assigned in Connection with Sale of Debtors' Assets** upon the parties listed below in the manner indicated:

VIA HAND DELIVERY AND EMAIL:

Adam G. Landis, Esquire
Kimberly A. Brown, Esquire
Landis Rath & Cobb LLP
919 Market Street, Suite 1800
Wilmington, DE 19801
Email: landis@lrclaw.com
Email: brown@lrclaw.com

Norman L. Pernick, Esquire
Cole Schotz P.C.
500 Delaware Avenue, Suite 1410
Wilmington, DE 19801
Email: npernick@coleschotz.com

Sean Beach, Esquire
Jaime Luton Chapman, Esquire
Young Conaway Stargatt & Taylor, LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Email: sbeach@ycst.com
Email: jchapman@ycst.com

Domenic E. Pacitti, Esquire
Klehr Harrison Harvey Branzburg LLP
919 N. Market Street, Suite 1000
Wilmington, Delaware 19801
Email: dpacitti@klehr.com

Jane M. Leamy, Esquire
Office of the United States Trustee
844 N. King Street, Suite 2207
Lockbox 35
Wilmington, DE 19801
Email: jane.m.leafy@usdoj.gov

VIA FIRST CLASS U.S. MAIL AND EMAIL:

Michael Archer
Cindy Parres
HRI Holding Corp., et al.
8700 State Line Road, Suite 100
Leawood, Kansas 66206
Email: marcher@houlihans.com
Email: cparres@houlihans.com

Teri Stratton
Piper Jaffray & Co.
2321 Rosecrans Avenue, Suite 3200
El Segundo, California 90245
Email: teri.l.stratton@pjc.com

Mark Arnold, Esquire
Mark Young, Esquire
Hunton Andrews Kurth, LLP
600 Travis Street, Suite 4200
Houston, Texas 77002
Email: markarnold@huntonak.com
Email: markyoung@huntonak.com

William B. Freeman, Esquire
Katten Muchin Rosenman LLP
515 South Flower Street, Suite 1000
Los Angeles, California 90071-2212
Email: bill.freeman@katten.com

Karen B. Dine, Esquire
Katten Muchin Rosenman LLP
575 Madison Avenue
New York, New York 10022-2585
Email: karen.dine@katten.com

Jason R. Adams, Esquire
Maeghan J. McLoughlin, Esquire
Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178
Email: jadams@kelleydrye.com
Email: mmcloughlin@kelleydrye.com

/s/ Marc J. Phillips

Marc J. Phillips (No. 4445)